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SENATE BILL 5654

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State of Washington

60th Legislature

2007 Regular Session

By Senator Shin

Read first time 01/26/2007. Referred to Committee on Labor, Commerce, Research & Development.

1 AN ACT Relating to dealer warranty reimbursements; and amending RCW  
2 46.96.105.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 **Sec. 1.** RCW 46.96.105 and 2003 c 21 s 2 are each amended to read  
5 as follows:

6 (1) Each manufacturer shall specify in its franchise agreement, or  
7 in a separate written agreement, with each of its dealers licensed in  
8 this state, the dealer's obligation to perform warranty work or service  
9 on the manufacturer's products. Each manufacturer shall provide each  
10 of its dealers with a schedule of compensation to be paid to the dealer  
11 for any warranty work or service, including parts, labor, and  
12 diagnostic work, required of the dealer by the manufacturer in  
13 connection with the manufacturer's products.

14 (2) The compensation may not be less than the rates reasonably  
15 charged by the dealer for like services and parts to retail customers  
16 of motor homes, as defined in RCW 46.04.305, campers, as defined in RCW  
17 46.04.085, and travel trailers, as defined in RCW 46.04.623. The  
18 compensation may not be reduced by the manufacturer for any reason or

1 made conditional on an activity outside the performance of warranty  
2 work.

3 (3) All claims for warranty work for parts and labor made by  
4 dealers under this section shall be submitted to the manufacturer  
5 within one year of the date the work was performed. All claims  
6 submitted must be paid by the manufacturer within thirty days following  
7 receipt, provided the claim has been approved by the manufacturer. The  
8 manufacturer has the right to audit claims for warranty work and to  
9 charge the dealer for any unsubstantiated, incorrect, or false claims  
10 for a period of one year following payment. However, the manufacturer  
11 may audit and charge the dealer for any fraudulent claims during any  
12 period for which an action for fraud may be commenced under applicable  
13 state law.

14 ((+3+)) (4) All claims submitted by dealers on the forms and in the  
15 manner specified by the manufacturer shall be either approved or  
16 disapproved within thirty days following their receipt. The  
17 manufacturer shall notify the dealer in writing of any disapproved  
18 claim, and shall set forth the reasons why the claim was not approved.  
19 Any claim not specifically disapproved in writing within thirty days  
20 following receipt is approved, and the manufacturer is required to pay  
21 that claim within thirty days of receipt of the claim.

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